

Message Text

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PAGE 01 GENEVA 08870 121226Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15
NSCE-00 SSO-00 ICAE-00 INRE-00 AF-10 ARA-10
EUR-12 NEA-11 OIC-02 MCE-00 NRC-05 ACDA-12 XMB-02
/172 W

-----031406 121232Z /45

O 121217Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 0713
INFO AMEMBASSY TOKYO

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USMTN
ACTION STR PASS ELECTRICALLY FOR AMBASSADOR STRAUSS
STR PASS CODEL

E.O.11652:N/A
TAGS: MTN, ETRD, JA
SUBJECT: IMPROVEMENTS IN JAPAN'S INDUSTRIAL TARIFF OFFER:
SUMMARY

1. JAPAN FORMALLY CONVEYED TO USMTN DELEGATION ON JUNE 12
ITS DETAILED RESPONSE TO U.S. REQUESTS FOR IMPROVEMENTS IN
JAPAN'S INDUSTRIAL TARIFFS OFFER. THE 64-PAGE LIST,
INFORMALLY GIVEN TO AMBASSADOR WOLFF ON JUNE 10 IN PARIS
BY DIRECTOR GENERAL TESHIMA OF MINISTRY OF FOREIGN AFFAIRS
AND CONVEYED ON JUNE 12 BY TESHIMA TO AMBASSADOR MCDONALD
IN GENEVA, CDNTAINS A COVERING NOTE WITH CONDITIONS
(SEPTEL). JAPANESE REQUESTED LIST BE KEPT STRICTLY CONFI-
DENTIAL FOR TIME BEING.

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2. JAPANESE STATED THEY OFFER IMPROVEMENTS ON 380 OF THE
424 TARIFF ITEMS WHICH U.S. REQUESTED IMPROVEMENTS, A 90
PERCENT POSITIVE RESPONSE ON A LINE ITEM BASIS AND 84
PERCENT POSITIVE RESPONSE ON A TRADE BASIS (1976). THEY
ALSO PROVIDED DETAILED TABLES COMPARING TARIFF LEVELS
BETWEEN JAPAN AND THE U.S. SHOWING, INTER ALIA, FOR ALL
INDUSTRIAL ITEMS EXCEPT PETROLEUM, DUTY FREE AND DUTIABLE

TRADE, THAT WITH IMPROVED OFFERS JAPAN'S AVERAGE TARIFF ON IMPORTS OF INDUSTRIAL PRODUCTS FROM THE U.S. WOULD FALL TO 3.4 PERCENT (FROM 7.5 PERCENT BASE RATE) COMPARED TO 3.6 BY U.S. (FROM 6.5 PERCENT BASE RATE). JAPAN CALCULATES TRADE WEIGHTED BILATERAL OVERALL DEPTH OF CUT FROM ITS BASE RATES WITH IMPROVED OFFER AS 55.3 PERCENT COMPARED TO 44.6 PERCENT BY U.S. OFFER. (DETAILED IMPROVEMENT LIST AND TABLES HANDCARRIED TO WASHINGTON BY KELLY.)

3. JAPANESE IMPROVEMENTS INVOLVE LESS THAN A PERCENTAGE POINT REDUCTION ON MANY ITEMS; MORE SIGNIFICANT IMPROVEMENTS ARE OFFERED ON MANY OTHER ITEMS. VERY FEW ITEMS, CONCENTRATED IN ORES AND METALS AND A FEW OTHER CHEMICALS, ARE OFFERED AT FREE AND THOSE GENERALLY HAVE CURRENT FREE APPLIED RATES. PREVIOUSLY EXCLUDED ITEMS SUCH AS AIRCRAFT, AIRCRAFT ENGINES AND AIRCRAFT PARTS, NUCLEAR REACTORS AND SHOTGUNS AND AMMUNITION NOW RECEIVE FORMULA CUTS. NO IMPROVEMENTS ARE OFFERED ON SUCH KEY ITEMS AS KRAFT PAPER AND PAPERBOARD, ALUMINUM, LEATHER, AND INTEGRATED CIRCUITS. IMPROVEMENTS ON CERTAIN OTHER KEY ITEMS ARE AS FOLLOWS (PREVIOUS OFFER IN PARENTHESES):

(A) COLOR FILM AND PHOTOGRAPHIC PAPER - 8 PERCENT (16 PERCENT);

(B) COATED PAPERBOARD - 5.1 PERCENT (5.8 PERCENT)
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(C) COMPUTERS - 7.2 PERCENT (8.9 PERCENT);

(D) CERTAIN COMPUTER PERIPHERALS - 10 PERCENT (13.8 PERCENT);

(E) GOLF CLUBS - 3.6 PERCENT (4.8 PERCENT);

(F) COPPER FOIL - 6.5 PERCENT (7.2 PERCENT).

4. DETAILED NEGOTIATIONS WILL BEGIN IMMEDIATELY WITH JAPANESE TEAM HEADED BY DIRECTOR GENERAL TAKAHASHI OF MITI. USMTN DELEGATION INTENDS TO PUSH HARD FOR IMPROVEMENTS FOR KRAFT PAPER, PHOTOGRAPHIC FILM AND PAPER, INTEGRATED CIRCUITS, COMPUTERS AND PERIPHERALS, AIRCRAFT SECTOR (OBJECTIVE IS ZERO DUTIES), AND A SELECTIVE NUMBER OF OTHER ITEMS OF KNOWN PRIORITY WHERE THERE IS SIGNIFICANT TRADE POTENTIAL. WE WOULD APPRECIATE IMMEDIATE GUIDANCE. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFF SCHEDULES, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780671/aaaacixn.tel
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Litigation Codes:
Litigation History:
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Status: NATIVE
Subject: IMPROVEMENTS IN JAPAN'S INDUSTRIAL TARIFF OFFER: SUMMARY
TAGS: ETRD, JA, MTN
To: STATE
Type: TE
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